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OFFICE OF PETITIONS

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In re Patent No. 5,490,924 :
Issue Date: February 13, 1996 :
Application No. 08/277,619 : ON PETITION
Filed: July 20, 1994 :
Attorney Docket No. 4847 :

This is a decision on the petition under 37 CFR 1.378(b), filed July 30, 2010 and supplemented on August 13, 2010 (certificate of mailing date August 10, 2010) and on December 28, 2010 to accept unavoidably delayed payment of a maintenance fee for the above-identified patent.

The petition is **DISMISSED**.

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this 2-month time limit can be granted under 37 CFR 1.136(a) or (b). Any such petition for reconsideration must be accompanied by the petition fee of \$400. The petition for reconsideration should include an exhaustive attempt to provide the lacking item noted below, since, after a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Director.

The patent issued February 13, 1996. The 11 ½ year maintenance fee could have been paid from February 13, 2007 through August 13, 2007, or with a surcharge during the period from August 14, 2007 through February 13, 2008. The 11 ½ year maintenance fee was not timely paid. Accordingly, the patent expired on February 14, 2008.

Statute and Regulation

37 CFR 1.378(a) provides that the Director may accept the payment of any maintenance fee due on a patent based on an expiration of the patent, if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Director to have been unavoidable or unintentional. The appropriate surcharge set forth in § 1.20(i) must be paid as a condition of accepting payment of the maintenance fee. The surcharges set at 37 CFR 1.20(i) are established pursuant to 35 U.S.C. 41(c) and, therefore, are not subject to small entity provisions of 35 U.S.C. 41(h). No separate petition fee is required for this petition. If the Director accepts payment of

41(h). No separate petition fee is required for this petition. If the Director accepts payment of the maintenance fee upon petition, the patent shall be considered as not having expired but will be subject to the intervening rights and provisions of 35 U.S.C. 41(c)(2).

The patent statute at 35 U.S.C. 41(c)(1) provides as follows:

"The Director may accept the payment of any maintenance fee required by subsection (b) of this section... at any time after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable."

The statute's promulgating rule, 37 CFR 1.378(b), provides that any petition to accept the delayed payment of a maintenance fee must include the following:

- (1) the required maintenance fee set forth in 37 CFR 1.20(e) - (g);
- (2) the surcharge set forth in 37 CFR 1.20(i)(1); and
- (3) a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The required showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

Furthermore, an adequate showing requires a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. Such a statement must be verified if made by a person not registered to practice before the Patent and Trademark Office. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement.

Opinion

In the instant petition, assignee, Control Systems Innovation, Inc. asserts that the delay in payment of the 11 ½ year maintenance fee was unavoidable because of a lack of communication between patentee and patentee's attorneys. Patentee relied upon their attorneys to timely inform them of the necessity to pay the maintenance fee payments appropriate for the patent. One of their attorneys, Mr. Richard Mybeck passed away and the other patent attorney is speculated to have moved to a different firm. (August 13, 2010 petition p. 4) Therefore, patentee did not receive notification of the due date for the 11 ½ year maintenance fee.

The showing of record is inadequate to establish unavoidable delay within the meaning of 37 CFR 1.378(b)(3).

Petitions for the delayed payment of maintenance fees under 35 U.S.C. 41(c)(1) are treated under the same standard as petitions for revival of abandoned applications under 35 U.S.C. 133 because both statutory provisions use the same language, i.e., “unavoidable” delay. Ray v. Leyman, 55 F.3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), aff'd, Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), aff'd, 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992). Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable as follows:

The word ‘unavoidable’....is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

In re Mattullath, 38 App. D.C. 497, 514-515 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 167-168 (D.D.C. 1963), aff'd, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913). In addition, decisions on revival are made on a “case by case basis, taking all the facts and circumstances into account.” Smith v. Massinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). The requirement in 35 U.S.C. 133 for a showing of unavoidable delay requires not only a showing that the delay which resulted in the abandonment of the application was unavoidable (or expiration of the patent as it applies to 35 U.S.C. 41(c)(1)), but also a showing of unavoidable delay from the time an applicant becomes aware of the abandonment of the application until the filing of a petition to revive (or a petition under 37 CFR 1.378(b) to reinstate the patent under 35 U.S.C. 41(c)(1)). See In re Application of Takao, 17 USPQ2d 1155 (Comm'r Pat. 1990). Finally, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was “unavoidable.” Haines v. Quigg, 673 F. Supp. 314, 316-317, 5 USPQ2d 1130, 1131-1132 (N.D. Ind. 1987).

In determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray, 55 F.3d at 609-609, 34 USPQ2d at 1787. The party whose delay is relevant is the party in interest at the time action is needed to be taken. In Re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988). On February 13, 2008, which is the last day the 11 ½ year maintenance fee could be timely paid, Control Systems Innovation, Inc.. was the party in interest. Narciso F. Macia is the president of the company.

It was incumbent upon the party in interest to undertake the obligation to pay the fee or to engage a third party to monitor and track the second maintenance fee payment. Reliance *per se* on a third party for tracking a maintenance fee does not provide a patent holder with a showing of

unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 U.S.C. 41(c). Rather, such reliance merely shifts the focus of the inquiry to whether that third party acted reasonably and prudently.

It is incumbent upon petitioner to demonstrate, via a documented showing, that Control Systems Innovation, Inc. or its representative(s) had docketed this patent for the third maintenance fee payment in (a) reliable tracking system(s).

The record fails to show that patentee or his representatives took adequate steps to ensure timely payment of the maintenance fees. In re Patent No. 4,461,759, 16 USPQ2d 1883, 1884 (Comm'r Pat. 1990).

Petitioner must demonstrate, via a documented showing, that despite reasonable care by the patentee and/or the patentee's agents to implement reasonable steps to ensure the timely payment of the maintenance fee, the maintenance fee was nevertheless, unavoidably not paid.

Patentee asserts Mr. Mybeck passed away, presumably before the 11 ½ year maintenance fee was due. However, patentee has not provided any evidence as to the date Mr. Mybeck passed away. Please provide such evidence. However, it is noted that two attorneys were representing assignee – Mr. Mybeck and Peter Schull. Thus, even if Mr. Mybeck had passed away by the time the 11 ½ year maintenance fee was due, Mr. Schull was practicing law. Was Mr. Schull tracking the maintenance fee due dates for the patent? Did Mr. Schull attempt to timely contact patentee regarding the maintenance fee due date?

Because petitioner was represented by a registered practitioner, the Office must rely on the actions or inactions of the duly authorized and voluntarily chosen representative of the applicant, and the applicant is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962). If the attorney made any errors, petitioner is bound by such errors.¹

An attorney must act reasonably and prudently.

If [the] attorney somehow breach[es] his duty of care to plaintiff, then plaintiff may have certain other remedies available to him against his attorney. He cannot, however, ask the court to overlook [the attorney's] action or inaction with regard to the patent application. He hired the [attorney] to represent him. [The attorney's] actions must be imputed to him.²

¹ See California Med. Products v. Technol Med. Products, 921 F. Supp. 1219, 1259 (D. Del. 1995) (citing Smith v. Diamond, 209 U.S.P.Q. 1091, 1093 (D.D.C. 1981) (citing Link v. Walbush Railroad Co., 370 U.S. 626, 8 L. Ed. 2d 734, 82 S. Ct. 1386 (1962))).

² Haines v. Quigg, 673 F. Supp. 314, 317, 5 U.S.P.Q. 2d (BNA) 1130 (citing Link v. Walbush Railroad Co., 370 U.S. 626, 8 L. Ed. 2d 734, 82 S. Ct. 1386 (1962)) ("Petitioner voluntarily chose his attorney as his representative in the action and he cannot now avoid the consequences of the acts or omissions of this freely selected agent ... Each party is deemed bound by the acts of his lawyer-agent and is considered to have 'notice of all facts, notice of which can be charged upon the attorney.'" (emphasis added); Inryco, Inc. v. Metropolitan Engineering Co., Inc., 708 F.2d 1225, 1233 (7th Cir. 1983) ("Courts hesitate to punish a client for its lawyers gross negligence, especially when the lawyer affirmatively misled the client" but "if the client freely chooses counsel, it should be bound to counsel's actions."); see also Wei v. State of Hawaii, 763 F. 2d 370, 372 (9th Cir.

Petitioner is reminded that the U.S. Patent and Trademark Office is not the proper forum for resolving disputes between applicants and their representatives. *See Ray v. Lehman*, 55 F.3d 606, 34 USPQ2d 1786 (Fed. Cir. 1995).

Petitioner is advised that delay resulting from a failure in communication between a client and a registered practitioner is not unavoidable delay. In Re Kim, 12 U.S.P.Q.2d 1595 (Comm'r Pat. 1988). Delay resulting from a lack of proper communication between a patent holder and a registered representative as to who bore the responsibility for payment of a maintenance fee does not constitute unavoidable delay within the meaning of 35 U.S.C. 1.378(b). See Ray, at 610, 34 U.S.P.Q.2d at 1789.

The record fails to disclose that the patentee or patentee's representatives took reasonable steps to ensure timely payment of the maintenance fee. The record indicates that no steps were taken by Control Systems Innovation, Inc. to ensure timely payment of the 11 ½ year maintenance fee. Mr. Schull has not provided a statement of facts describing his responsibilities and actions with respect to docketing and payment of maintenance fees for the patent.

In short, petitioner has not demonstrated, via a documented showing, that there was a reliable tracking system in place to monitor the due dates of maintenance fees and that a responsible party had docketed this patent in that system. Evidence should be submitted which demonstrates that despite reasonable care by the patentee and/or the patentee's agent to implement reasonable steps to ensure the timely payment of the maintenance fees, the 11 ½ year maintenance fee was nevertheless, unavoidably not paid.

If petitioner does not wish to file a reconsideration petition, petitioner may, **in writing**, request a refund of the \$2,755.00 submitted with the instant petition.

Further correspondence with respect to this matter should be delivered through one of the following mediums:

By mail: Mail Stop PETITIONS
Commissioner for Patents
Post Office Box 1450
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By hand: Customer Service Window
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Randolph Building
401 Dulany Street
Alexandria, VA 22314

By fax: (571) 273-8300
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By internet: EFS-Web
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Telephone inquiries concerning this matter may be directed to the undersigned at (571) 272-3230

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